

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

September 29, 2021

Kelseyville Terrace, located at 5400 Gaddy Lane in Kelseyville, requested and is being recommended for a reservation of \$2,349,613 in annual federal tax credits to finance the new construction of 68 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Corporation for Better Housing and will be located in Senate District 2 and Assembly District 4.

Project Number CA-21-131

Project Name Kelseyville Terrace
Site Address: 5400 Gaddy Lane
Kelseyville, CA 95451 County: Lake
Census Tract: 10.000

Tax Credit Amounts	Federal/Annual *	State/Total
Requested:	\$2,349,613	\$0
Recommended:	\$2,349,613	\$0

* Consolidated Appropriations Act, 2021 (CAA) Federal Credits

Applicant Information

Applicant: Kelseyville 2, L.P., a California limited partnership
Contact: Lori Koester
Address: 20750 Ventura Boulevard, Suite 155
Woodland Hills, CA 91364
Phone: (818) 905-24
Email: lkoester@corpoffices.org

General Partner(s) / Principal Owner(s): Corporation for Better Housing
General Partner Type: Nonprofit
Parent Company(ies): Corporation for Better Housing
Developer: Corporation for Better Housing
Investor/Consultant: Alliant Capital, Ltd.
Management Agent(s): WinnResidential California LP

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 69
No. & % of Tax Credit Units: 68 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Northern Region
 TCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
At or Below 30% AMI:	7	10%
At or Below 45% AMI:	11	16%
At or Below 50% AMI (Rural):	34	50%
At or Below 60% AMI:	16	24%

Unit Mix

20 1-Bedroom Units
29 2-Bedroom Units
20 3-Bedroom Units
69 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 1 Bedroom	30%	\$392
3 1 Bedroom	45%	\$588
10 1 Bedroom	50%	\$653
5 1 Bedroom	60%	\$784
3 2 Bedrooms	30%	\$471
5 2 Bedrooms	45%	\$706
14 2 Bedrooms	50%	\$785
6 2 Bedrooms	60%	\$942
2 3 Bedrooms	30%	\$543
3 3 Bedrooms	45%	\$815
10 3 Bedrooms	50%	\$906
5 3 Bedrooms	60%	\$1,087
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$343,694
Construction Costs	\$16,819,846
Rehabilitation Costs	\$0
Construction Contingency	\$1,040,993
Relocation	\$0
Architectural/Engineering	\$750,162
Const. Interest, Perm. Financing	\$1,481,000
Legal Fees	\$185,000
Reserves	\$134,600
Other Costs	\$1,780,755
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$24,736,050

Residential

Construction Cost Per Square Foot:	\$290
Per Unit Cost:	\$358,493
True Cash Per Unit Cost*:	\$343,344

Construction Financing

Source	Amount
Pacific Western Bank	\$19,000,000
Tax Credit Equity	\$3,900,095

Permanent Financing

Source	Amount
Pacific Western Bank	\$2,816,800
Deferred Developer Fee	\$1,045,339
Solar Tax Credit Equity	\$197,321
Tax Credit Equity	\$20,676,590
TOTAL	\$24,736,050

*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,084,171
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,109,422
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,349,613
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Alliant Capital, Ltd.
Federal Tax Credit Factor:	\$0.88000

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	No
Second	No
Third	\$27,642.51

Significant Information / Additional Conditions

The applicant has requested the use of a CUAC utility allowance. TCAC staff is in the process of reviewing the CUAC documentation for this existing project. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Lakeport, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of a public high school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
In-unit high speed internet service (Rural set-aside only)	3	3	3
Highest or High Resources Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.